

ETI TECH CORPORATION BERHAD (667845-M)
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 29 FEBRUARY 2012

The Board of Directors of ETI TECH Corporation Berhad ("ETICB" or "Company") is pleased to announce the following unaudited consolidated results for the first quarter ended 29 February 2012.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER	QUARTER	PERIOD	PERIOD
	ENDED	ENDED	ENDED	ENDED
	29.02.2012	28.02.2011	29.02.2012	28.02.2011
	RM'000	RM'000	RM'000	RM'000
Revenue	11,322	12,409	23,533	26,088
Other operating income	32	352	869	359
Operating expenses	(10,740)	(12,063)	(22,262)	(24,358)
Finance costs	(378)	(310)	(744)	(559)
Profit before taxation	236	388	1,396	1,530
Taxation	-	-	-	-
Profit for the period	236	388	1,396	1,530
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	236	388	1,396	1,530
Profit for the period attributable to :				
Owners of the parent	236	388	1,396	1,530
Non-controlling interest	-	-	-	-
	236	388	1,396	1,530
Total comprehensive income attributable to :				
Owners of the parent	236	388	1,396	1,530
Non-controlling interest	-	-	-	-
	236	388	1,396	1,530
Earnings per share (sen)				
1) Basic	0.03	0.06	0.21	0.22
2) Diluted	N/A	N/A	N/A	N/A

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 August 2011 and the accompanying explanatory notes of this interim financial report.

ETI TECH CORPORATION BERHAD (667845-M)
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 29 FEBRUARY 2012

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 29.02.2012 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR 31.08.2011 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	14,958	16,120
Development expenditure	31,862	32,647
	<u>46,820</u>	<u>48,767</u>
CURRENT ASSETS		
Inventories	45,719	38,848
Trade receivables	34,680	31,180
Other receivables	5,543	6,004
Short-term deposits with a licensed bank	852	852
Cash and cash equivalents	4,869	6,969
	<u>91,663</u>	<u>83,853</u>
TOTAL ASSETS	<u>138,483</u>	<u>132,620</u>
EQUITY		
Share capital	68,077	68,077
Retained profits	37,746	36,350
Equity attributable to owners of the Parent	<u>105,823</u>	<u>104,427</u>
Non controlling interest	-	-
TOTAL EQUITY	<u>105,823</u>	<u>104,427</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	788	788
Hire purchase payables	2,307	2,910
Bank borrowings	2,910	3,011
	<u>6,005</u>	<u>6,709</u>
CURRENT LIABILITIES		
Trade payables	2,038	1,729
Other payables	1,236	1,267
Hire purchase payables	910	613
Bank borrowings	22,471	17,875
	<u>26,655</u>	<u>21,484</u>
TOTAL LIABILITIES	<u>32,660</u>	<u>28,193</u>
TOTAL EQUITY AND LIABILITIES	<u>138,483</u>	<u>132,620</u>
Net assets per share (RM)	<u>0.16</u>	<u>0.15</u>

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 August 2011 and the accompanying explanatory notes of this interim financial report.

ETI TECH CORPORATION BERHAD (667845-M)
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 29 FEBRUARY 2012

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	AS AT 29.02.2012 RM'000	AS AT 28.02.2011 RM'000
Cash flows from operating activities		
Profit before tax	1,396	1,530
Adjustments for:		
Non-cash items	3,001	1,687
Non operating items	745	569
Operating profit before working capital changes	<u>5,142</u>	<u>3,786</u>
Changes in working capital:		
Net changes in current assets	(9,915)	(1,299)
Net changes in current liabilities	278	(803)
Net cash (used in) / generated from operating activities	<u>(4,495)</u>	<u>1,684</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(281)	(6,660)
Development expenditure	(769)	(1,935)
Net cash used in investing activities	<u>(1,050)</u>	<u>(8,595)</u>
Cash flows from financing activities		
Proceeds from long term borrowings	133	-
Increase in short term bank borrowings (net)	4,595	9,987
Interest paid	(744)	(569)
Repayment of hire purchase	(438)	-
Repayment of term loans	(101)	(99)
Net cash from financing activities	<u>3,445</u>	<u>9,319</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	<u>(2,100)</u>	<u>2,408</u>
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	<u>6,969</u>	<u>6,002</u>
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>4,869</u>	<u>8,410</u>

The unaudited condensed consolidated statement of cashflows should be read in conjunction with the audited financial statements for the financial year ended 31 August 2011 and the accompanying explanatory notes of this interim financial report.

ETI TECH CORPORATION BERHAD (667845-M)**(Incorporated in Malaysia)****QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 29 FEBRUARY 2012**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL	RETAINED PROFITS	TOTAL
	RM'000	RM'000	RM'000
2nd quarter ended 29 February 2012			
Balance at 1.9.2011	68,077	36,350	104,427
Total comprehensive income for the period	-	1,396	1,396
Balance at 29.02.2012	<u>68,077</u>	<u>37,746</u>	<u>105,823</u>
2nd quarter ended 28 February 2011			
Balance at 1.9.2010	68,077	32,604	100,681
Total comprehensive income for the period	-	1,530	1,530
Balance at 28.02.2011	<u>68,077</u>	<u>34,134</u>	<u>102,211</u>

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 August 2011 and the accompanying explanatory notes of this interim financial report.